DOCKET FILE COPY ORIGINAL
EX PARTE OR LATE FILED

MYERS KELLER
COMMUNICATIONS LAW GROUP
1030 15TH STREET, N.W., SUITE 908
WASHINGTON, D.C. 20005
(202) 371-0789
TELECOPIER (202) 371-1136

Richard S. Myers
Jay N. Lazrus+
Tania W. Hanna
Tony S. Lee+

+Admitted to Maryland only
(non lawyer)

James J. Keller*
Gregory C. Eisemann*

*Communications engineer

RECEIVED

SEP 25 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

September 25, 1995

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Re: Ex Parte presentation by TeleCellular de Puerto Rico, Inc.
Docket No. 93-144

On behalf of TeleCellular, enclosed is an original and one copy of a memorandum summarizing a presentation made to Ms. Rosalind Allen, Chief of the Commercial Wireless Division of the Wireless Telecommunications Bureau, pertaining to the above referenced docket. The presentation occurred on September 25, 1995.

If you have any questions regarding this matter, please contact the undersigned.

Very truly yours,

Richard S. Myers
Counsel for TeleCellular de Puerto Rico, Inc.

Enclosures

No. of Copies rec'd 0+1
List ABCDE

ORIGINAL

RECEIVED

SEP 25 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

MYERS KELLER
COMMUNICATIONS LAW GROUP
1030 15TH STREET, N.W., SUITE 908
WASHINGTON, D.C. 20005
(202) 371-0789
TELECOPIER (202) 371-1136

Richard S. Myers
Jay N. Lazrus+
Tania W. Hanna
Tony S. Lee+

[illegible] Keller
Gregory C. Eisemann*

+Admitted to Maryland only
(non lawyer)

*Communications engineer

TeleCellular de Puerto Rico, Inc.'s Presentation To FCC Staff

TeleCellular de Puerto Rico, Inc. ("Telecellular") is a joint venture of SMR licensees organized to provide wide area, digital, mobile telecommunications service to the island of Puerto Rico. TeleCellular's presentation to the FCC staff offered comments on the staff's recommendations to the full Commission in Docket No. 93-144. A summary of TeleCellular's presentation is provided below.

Bidding Credits and Installment Payments should be made available to small business bidding for licenses in the upper channels.

Telecellular believes that the staff should reconsider its recommendation that small businesses should only be provided with bidding credits and installment payments when bidding for licenses in the lower 80 and GX channel blocks and not for licenses in the upper 200 channel block. Unlike PCS, in which a Block C license is equivalent to a Block A or Block B license for the same geographic area, a license in the upper 200 channels is likely to be significantly superior to a license in the lower 80 or GX channels. Wide area upper 200 channel licenses have the right to mandatorily relocate incumbent licenses to the lower 80 and GX channels, subject to whatever comparability rules are finally adopted, whereas wide area licensees on the lower 80 and GX channels do not have the right to relocate incumbents. In addition, as a result of the mandatory relocation of incumbent licensees to the lower 80 and GX channels, these latter licenses are likely to be crowded with licensees, thus limiting the capacity available (and future growth) to a wide area licensee. As a result, a wide area license on the lower or GX channels is likely to have significantly less potential value than a similar license on the upper 200 channels.

If a small business wide area licensee is to have a meaningful opportunity to compete with larger businesses, as mandated by Congress' directive to the FCC, then the small business will need an upper 200 wide area license. To be in a position to do this, the small business will require assistance in participating in the auction process through bidding credits and installment payments, in a manner similar to that which is envisioned for 900 MHz. For the 900 MHz auctions, small businesses will be given bidding credits and installment payments while competing with large businesses for the same licenses.

In determining whether relocation of an incumbent licensee is mandatory, "comparable facilities" should mean relocation to a frequency in the same service, covering the same geographic area, with the same number of channels and which employs equipment providing the same level of service to the public.

An incumbent licensee has expended both time and resources in developing its license and business. While it is important to provide a wide area licensee with as clear spectrum as possible, relocation should only be mandatory when the wide area licensee is able to provide the incumbent with relocation that allows the incumbent to provide its customers with at least the same service, at the same level of quality, and at the same cost. Accordingly, a wide area licensee should not be able to mandatorily relocate an incumbent licensee unless the relocation allows the incumbent:

- to provide the same types of services prior to relocation;
- to service the same customer base, which means the new authorization should cover the same geographic area;
- to have the same potential for expansion of the business, which means that the new authorization provides at least the same number of channels as previously held; and
- to provide the same level of quality of service at no more than the previous cost to the incumbent, which means that the licensee should be able to use the same equipment without significant modification, or if this is not possible, that the wide area licensee provide the incumbent with new equipment, at no cost to the incumbent, that allows the incumbent to provide the same service without an increase in operating cost or a decrease in the quality of service.